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May 1, 2003

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA

ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



STATE DOCUMENTS COLLECTION

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MAY 6 2003

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PRODUCER CLASS I PRICE IN MONTANA

CLASS I PRICE FOR MILK TESTING 3.5%
CLASS I BUTTERFAT PRICE PER POUND

REF: ARM 32.24.301(5)

\$12.26 /CWT
\$1.17 /LB

EFFECTIVE June 1, 2003:

The minimum price to pay milk producers, under ARM 32.24.301, is \$12.26 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 11.7 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.17.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$10.22 /CWT

Average spray process dry milk solids

price per pound	=	\$0.85000
Multiplied by 8.2	x	8.2

\$6.97000

\$6.97000

Last quote of the month for Grade AA butter

\$6.97000

minus a differential of \$.0895

\$6.97000

Multiplied by 4.2

4.2

\$4.20210

\$4.20210

LESS a make allowance of 8.5% (

\$11.1721 X .085)

-\$11.17210

-\$0.94963

-\$10.22247

Rounded to the nearest whole cent = \$10.22 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND		\$1.11 /LB
Last quote of the month for Grade AA butter		
minus a differential of \$.0895	=	\$1.00050 X .111)
Rounded to the nearest half cent	=	\$0.11106
	=	\$0.111
Butterfat value per pound for milk at 3.5% test:	\$1.11	
Hundredweight price of milk testing 3.5%		
LESS 3.5 pounds of butterfat at	\$1.11 per pound	= \$10.22
Value of 96.5 pounds of skim		— \$3.885
	=	\$6.335
CLASS II VALUE OF ONE POUND OF SKIM	6.335 / 96.5 pounds)	\$0.06565 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%		\$8.73 /CWT
3.5 pounds of butterfat	\$0.90 per pound =	\$3.150
96.5 pounds of skim	\$0.05785 per pound =	\$5.583
		\$8.733 /CWT

CLASS III BUTTERFAT PRICE PER POUND		\$0.90 /LB
Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$1.00050
LESS 10%	-	\$0.10005
		\$0.90045

Rounded to the nearest whole cent = \$0.90 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED		\$5.78510 /CWT
Avg. spray process dry milk solid price/lb :	\$0.85000	
Multipled by 8.2	8.2	
	<hr/>	<hr/>
	\$6.97000	
LESS 17%	\$1.18490	
	<hr/>	<hr/>
	\$5.78510	

Rounded to the nearest whole cent = \$5.79 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Monte Nick
 Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$12.26 FOR 3.5% MILK 96.5 LBS = \$8.165		CLASS II SKIM PRICE BASED ON \$10.22 FOR 3.5% MILK 96.5 LBS = \$6.335		CLASS III SKIM PRICE BASED ON \$8.73 FOR 3.5% MILK 96.5 LBS = \$5.583	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.08374	2.50	\$0.06497	2.50	\$0.05726
2.55	\$0.08379	2.55	\$0.06501	2.55	\$0.05729
2.60	\$0.08383	2.60	\$0.06504	2.60	\$0.05732
2.65	\$0.08387	2.65	\$0.06507	2.65	\$0.05735
2.70	\$0.08392	2.70	\$0.06511	2.70	\$0.05738
2.75	\$0.08396	2.75	\$0.06514	2.75	\$0.05740
2.80	\$0.08400	2.80	\$0.06517	2.80	\$0.05743
2.85	\$0.08405	2.85	\$0.06521	2.85	\$0.05746
2.90	\$0.08409	2.90	\$0.06524	2.90	\$0.05749
2.95	\$0.08413	2.95	\$0.06528	2.95	\$0.05752
3.00	\$0.08418	3.00	\$0.06531	3.00	\$0.05755
3.05	\$0.08422	3.05	\$0.06534	3.05	\$0.05758
3.10	\$0.08426	3.10	\$0.06538	3.10	\$0.05761
3.15	\$0.08431	3.15	\$0.06541	3.15	\$0.05764
3.20	\$0.08435	3.20	\$0.06544	3.20	\$0.05767
3.25	\$0.08439	3.25	\$0.06548	3.25	\$0.05770
3.30	\$0.08444	3.30	\$0.06551	3.30	\$0.05773
3.35	\$0.08448	3.35	\$0.06555	3.35	\$0.05776
3.40	\$0.08452	3.40	\$0.06558	3.40	\$0.05779
3.45	\$0.08457	3.45	\$0.06561	3.45	\$0.05782
3.50	\$0.08461	3.50	\$0.06565	3.50	\$0.05785
3.55	\$0.08466	3.55	\$0.06568	3.55	\$0.05788
3.60	\$0.08470	3.60	\$0.06572	3.60	\$0.05791
3.65	\$0.08474	3.65	\$0.06575	3.65	\$0.05794
3.70	\$0.08479	3.70	\$0.06578	3.70	\$0.05797
3.75	\$0.08483	3.75	\$0.06582	3.75	\$0.05800
3.80	\$0.08488	3.80	\$0.06585	3.80	\$0.05803
3.85	\$0.08492	3.85	\$0.06589	3.85	\$0.05806
3.90	\$0.08496	3.90	\$0.06592	3.90	\$0.05809
3.95	\$0.08501	3.95	\$0.06596	3.95	\$0.05812
4.00	\$0.08505	4.00	\$0.06599	4.00	\$0.05815
4.05	\$0.08510	4.05	\$0.06602	4.05	\$0.05818
4.10	\$0.08514	4.10	\$0.06606	4.10	\$0.05821
4.15	\$0.08519	4.15	\$0.06609	4.15	\$0.05824
4.20	\$0.08523	4.20	\$0.06613	4.20	\$0.05827
4.25	\$0.08527	4.25	\$0.06616	4.25	\$0.05830
4.30	\$0.08532	4.30	\$0.06620	4.30	\$0.05833
4.35	\$0.08536	4.35	\$0.06623	4.35	\$0.05837
4.40	\$0.08541	4.40	\$0.06627	4.40	\$0.05840
4.45	\$0.08545	4.45	\$0.06630	4.45	\$0.05843
4.50	\$0.08550	4.50	\$0.06634	4.50	\$0.05846

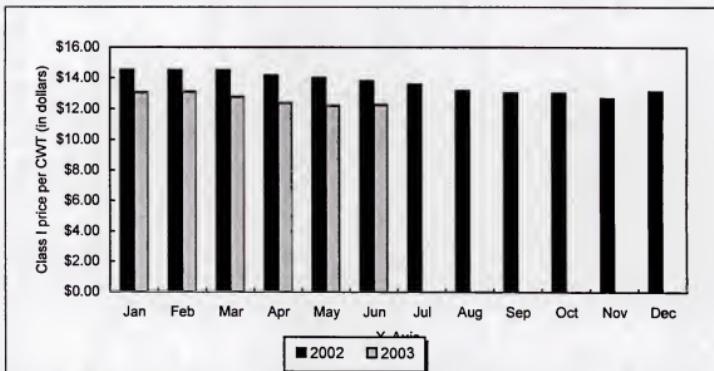
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2002 and 2003

Statistics from the Montana Milk Control Bureau

Month	2002	2003	Difference	% Change
January	\$14.53	\$13.07	(\$1.46)	-10.05%
February	\$14.51	\$13.11	(\$1.40)	-9.65%
March	\$14.50	\$12.78	(\$1.72)	-11.86%
April	\$14.17	\$12.36	(\$1.81)	-12.77%
May	\$14.02	\$12.19	(\$1.83)	-13.05%
June	\$13.81	\$12.26	(\$1.55)	-11.22%
July	\$13.58			
August	\$13.17			
September	\$13.03			
October	\$13.01			
November	\$12.70			
December	\$13.15			
Average	\$13.68	\$12.63	(\$1.63)	-11.43%

Prices are per hundredweight (CWT).

Completion of pooling (prior to audit) shows the producer quota blend prices to be:

MARCH 2003: class I = \$7.20; class II = \$1.14; Class III = \$2.84; total = \$11.18

(calculations based upon utilization percentages of butterfat & skim)